(d) whether Government will review the emphasis being given to foreign capital in non-core sectors; and

(e) if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) (a) No, Sir.

(b) Yes, Sir.

(c) and (d) Out of the total approvals given to Foreign Direct Investment (FDI) projects so far (August 1991 to October 1998), infrastructure, transportation and services sectors alone account for nearly 44 per cent. Government has been encouraging FDI to supplement national efforts, particularly in the core sector, including infrastructure, and has put in place a liberal FDI policy with transparent guidelines for approval of FDI projects. In order to promote core sector investment the Government has deregulated coal and petroleum refinery sector; allowed 100% foreign equity in power sector under automatic approval route upto Rs. 1500 crore etc. Initiatives are underway to allow 100% FDI under automatic route in certain other areas of infrastructure such as roads & highways, vehicular tunnels, bridges, ports, etc.

(e) Does not arise.

Limit fixation on FDI

2384. DR. MOHAN BABU: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Federation of Indian Chamber of Commerce and Industry represented to Government on the limits to be fixed on FDI in some sectors of industry;

(b) if so, the details of such a representation;

(c) whether the representation is being examined by Government; and

(d) the steps proposed to carefully weigh all aspects before allowing unhindered and unfettered entry of multi-nationals into our economy?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) Yes, Sir. The Federation of Indian Chambers of Commerce and Industry (FICCI) has sent a representation to the Government against 100 per cent Foreign Direct Investment (FDI) in the Cigarette Industry.

(b) FICCI has raised the following objections to FDI upto 100% in Cigarette industry:

(i) Smoking is a health hazard.

(ii) Entry of multinational companies is likely to lead to contraband trade in cigarettes.

(iii) Harsh implications on beedi and tendu leaf workers' employment prospects.

(iv) No real gain to farmers, as there exists enough competition for tobacco procurement.

(c) and (d) The existing FDI policy does not prescribe any ceiling on the extent of foreign equity participation in the sectors pertaining to consumer non-durable including tobacco/cigarette Industry. The only proposal received so far from M/s. Rothmans of Pall Mall (International) Limited, U.K. for establishing a wholly owned subsidiary inter-alia, for manufacture of cigarette is pending before the Foreign Investment Promotion Board (FIPB) for consideration. FIPB will take a view in the matter based on the inputs received from the Ministries concerned. The proposal in terms of project cost envisaged will require the approval of Cabinet Committee on Foreign Investment (CCFI).

Negative growth in certain key industries

2385. SHRI PREM CHAND GUPTA: Will the Minister of INDUSTRY be pleased to state: (a) whether it is a fact that a large number of key industries like